

## CHECKLIST ENVIRONMENTAL ASSESSMENT

<b>Project Name:</b>	2008 Land Banking – Dillon Unit – CLO – Sec. 15 & 16 T2S – R16W
<b>Proposed Implementation Date:</b>	2008
<b>Proponent:</b>	These tracts were nominated by the lessee, Erb Livestock Corp, (S1/2 Sec 16 & NW1/4 NW ¼ Sec 15 T 2S - R16W) and by the DNRC (N1/2 Sec 16 T2S – R16W), and brought forward now by DNRC.
<b>Location:</b>	T2S, R16W, section 15, NW¼NW¼, 40 acres T2S, R16W, section 16, S1/2, 320 acres T2S, R16W, section 16, N1/2, 320 acres Total Acres: 680
<b>County:</b>	Beaverhead County
<b>Trust:</b>	Public Buildings, & State Industrial Schools

### I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction 680 acres of state land currently held in trust for the benefit of Common Schools, (sec 16, T2S-R16W) and Public Buildings (sec 15 T2S – R16W) . Revenue from the sale would be deposited in a special account, with monies from other sales around the State, to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income and proximity to existing state ownership which would then be held in trust for the benefit of the same beneficiary Trusts in relative proportion. The proposed sale is part of a program called Land Banking authorized by the 2003 Legislature, and updated by the 2007 Legislature. The purpose of the program is for the Department of Natural Resources and Conservation to overall, diversify uses of land holdings of the various Trusts, improve the sustained rate of return to the Trusts, improve access to state trust land and consolidate ownership. Three maps are attached to this EA checklist: 1. Labeled “Dillon Unit Land Banking 2008 Beaverhead County” is a general map of all state land within the county (blue) and those parcels of land considered for sale under land banking (red). 2. Labeled “Appendix B” is vicinity map showing the location of the proposed parcels covered under this EA checklist. 3. Labeled “Appendix C” is a satellite imagery map that indicates the tracts considered for sale in the EA checklist.

### II. PROJECT DEVELOPMENT

#### 1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

*Provide a brief chronology of the scoping and ongoing involvement for this project.*

- A letter was distributed in September 2004 to all state surface lessees informing them of the Land Banking Program and requesting nominations be submitted by lessees between October 1, 2004 and January 31, 2005. *(These tracts were nominated at that time and are now being considered as part of the second Statewide round of Land banking sales.)*
- Legal notices were published in the Dillon Tribune on 3/19/08 & 3/26/08 and, in the Montana Standard on 3/23/2008 and 3/30/08.
- Direct mailings were made to lessees, adjacent land owners, County Commissioners, State Legislators (from the involved Districts and who were associated with the legislation), and a host of organizations and individuals who had expressed previous interest in this process. A full listing of contacts is attached as “Appendix D”.

- Follow-up contacts were made by phone, mail, or email with parties requesting additional information. These are also included in "Appendix D".
- The tracts were also posted on the DNRC web page at, <http://dnrc/mt.gov/TLMSPublic/LandBanking/LBTest.aspx>

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## 2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

No other governmental agencies have jurisdiction over this proposal.

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## 3. ALTERNATIVES CONSIDERED:

Alternative A (No Action) – Under this alternative, the State retains the existing land ownership pattern and would not sell the 640 acres of Common Schools Trust Land contained in Section 16 T2S – R16W and 40 acres of Public Buildings Trust Land contained in Section 15, T2S – R16W.

Alternative B (the Proposed action) – Under this alternative, the Department would request and recommend approval by the Land Board to sell the proposed land locked tracts. If approved by the Board, the sale would be at public auction, subject to the requirements found in Title 77, Chapter 2, Part 3 of the Montana Codes Annotated. The income from the sale would be pooled with other land sale receipts from across the State to fund the purchase of other state land, easements, or improvements for the beneficiaries of the respective trusts. *(The State would then review available lands for sale which would generally have access and an increased potential for income. A separate public scoping and review would be conducted when a potentially suitable parcel was found. It is not possible for this analysis to make any direct parcel to parcel comparisons.)*

### III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

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## 4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

*Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.*

A variety of soil types are found across these tracts. USDA – NRCS soil survey indicated Land Capability Classification is 6E, soils. The majorities of these proposed acres are made up of gravelly loam and are best suited for rangeland. They are poorly suited for cultivated crops because of steepness of slopes and rock out crops. *("Soils in classes 5, 6, 7 are generally not suitable for mechanized productions without special management. Capability subclasses indicate the dominant limitations in the class, E, shows that the main hazard is the risk of erosion unless a close growing plant cover is maintained." From USDA-NRCS Soil Survey).* Topography is flat with intermittent streams running through the section. These tracts are surrounded by native rangeland contained in large pastures historically used for livestock grazing. It is unlikely these tracts would be broke for agricultural production in the future. The proposal does not involve any on the ground disturbance, so there are no soil effect differences between the alternatives. It is expected that this land will be used for livestock grazing in the future. The State owns, and would retain ownership of, all mineral rights associated with these tracts.

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**5. WATER QUALITY, QUANTITY AND DISTRIBUTION:**

*Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.*

There is recorded water right for stock water use in the S1/2 of Sec 16, T2S – R16W associated with the proposed tracts for sale. Other water quality and/or quality issue will not be impacted by the proposed action.

legal	Water right no.	Purpose	Source	Priority date
N1/2 Sec 16, T2S-R16W	41D137201	Stock Water		

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**6. AIR QUALITY:**

*What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.*

The proposal does not include any on-the-ground activities, or changes to activities. No effects to air quality would occur.

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**7. VEGETATION COVER, QUANTITY AND QUALITY:**

*What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.*

These tracts are native rangeland situated in the upper reaches of the Ruby River Valley. Species composition is dominated by grasses which include thread leaf sedge, blue bunch wheatgrass, and Idaho fescue. Sub-dominate species include various forbs and shrubs. Current range condition varies from good to excellent with an estimated carrying capacity or stocking rate assessed at 0.32 AUMs per acre.

Vegetation may be affected by numerous land management activities including livestock grazing, development, wildlife management or other agricultural use. It is unknown what land use activities may be associated with a change in ownership; however the vegetation on these tracts is typical of land throughout the vicinity and there are no known rare, unique cover types or vegetation on the tracts. It is expected that this land will be used for grazing livestock in the future. The nominating lessee has indicated that if they purchased these tracts, the land use would remain as grazing land. The proposal does not include any on-the-ground activities, or changes to activities and therefore we do not expect direct or cumulative effects would occur to vegetation as a result of the proposal.

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**8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:**

*Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.*

The area is not considered critical wildlife habitat. However, these tracts provide habitat for a variety of big game species (elk, & mule deer), predators (wolf, coyote, fox & badger), other non-game mammals, raptors and various songbirds. The proposal does not include any land use change which would yield changes to the wildlife habitat. The proposed action will not impact

wildlife forage, cover, or traveling corridors. Nor will this action change the juxtaposition of wildlife forage, water, or hiding and thermal cover.

The nominating lessee's have indicated that if they purchased these tracts, the land use would remain as grazing land. There are no unique or critical wildlife habitats associated with the state tracts and we do not expect direct or cumulative wildlife impacts would occur as a result of implementing the proposal. The proposed action will not have long-term negative effects on existing wildlife species and/or wildlife habitat because of its relatively small scale.

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**9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:**

*Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.*

No specific on-site observations of Threatened or Endangered species have been recorded and no important habitat has been identified on the state lands. A review of Natural Heritage data through NRIS was conducted and Greater Sage Grouse and Gray wolf may use these tracts of ground.

The proposal does not include any activities which would alter any habitat, so no effects are expected in either alternative.

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**10. HISTORICAL AND ARCHAEOLOGICAL SITES:**

*Identify and determine effects to historical, archaeological or paleontological resources.*

A class III level inventory and subsequent evaluation of cultural and paleontologic resources will be carried out if preliminary approval of the parcel nomination by the Board of Commissioners is received. Based on the results of the Class III inventory/evaluation the DNRC will, in consultation with the Montana State Historic Preservation Officer, assess direct and cumulative impacts.

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**11. AESTHETICS:**

*Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.*

These tracts are located in a foothill agricultural area and do not provide any unique scenic qualities that's not provided by adjacent private land. The proposal does not include any on-the-ground activities, so there would be no change to the aesthetics in either alternative.

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**12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:**

*Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.*

There are 5,159,410 acres of Trust land in Montana (TLMS power search, 11/29/2007). There are approximately 334,478 acres of Trust land in Beaverhead County. This proposal includes 680 acres, a small percentage of the state land within the County.

There are additional tracts of state land currently under consideration for sale through the Land Banking Program in Beaverhead County and throughout the state. In Beaverhead County there are approximately 750 acres of additional acres being considered for Land Banking sale. An additional 20,000 acres of trust land is being evaluated state wide under separate analysis.

The potential transfer of ownership will not have any impact or demands on environmental resources of land, water, air or energy.

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**13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:**

*List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.*

There are no other projects or plans being considered on the tracts listed on this EA.

There are 3 tracts containing 680 acres in Beaverhead County proposed for sale under the Land Banking Program and being evaluated under this EA. Other proposed tracts being considered in Beaverhead County will be covered in another EA checklist.

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**IV. IMPACTS ON THE HUMAN POPULATION**

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
  - *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
  - *Enter "NONE" If no impacts are identified or the resource is not present.*
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**14. HUMAN HEALTH AND SAFETY:**

*Identify any health and safety risks posed by the project.*

No impacts to human health and safety would occur as a result of the proposal.

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**15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:**

*Identify how the project would add to or alter these activities.*

The tracts included in this proposal are all leased by Erb Livestock Inc and JC Ranches for grazing. Sale of the land to Erb Livestock Inc or JC Ranches would add to their ranching operations. Below is a table that indicates the State rated carrying capacity of the tracts being considered for sale.

Legal	Acres	Lease #	State rated carrying capacity
Sec 15 T2S – R16W	40	6516	13 AUM
Sec 16 T2S – R16W	320	7645	97 AUM
Sec 16 T2S – R16W	320	7020	114 AUM

This proposal does not include any specific changes to the agricultural activities. The nominating lessee indicated that grazing would continue unchanged if they purchased these lands.

No direct or cumulative impacts are anticipated as a result of the proposal.

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**16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:**

*Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.*

The proposal would have no affect on quantity and distribution of employment.

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**17. LOCAL AND STATE TAX BASE AND TAX REVENUES:**

*Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.*

State School Trust Lands are currently exempt from property tax. If State Trust Lands represent 6% or greater of the total acres within a county, a payment in lieu of taxes (PLT) is made to the counties to mitigate for the State Trust Land tax exempt status. Counties will not realize an adjustment in the PLT payment as a result of an increase or decrease in State Trust Land acreage. If all the parcels in this proposal are sold, and use continued as grazing land, Beaverhead County would receive ~ \$380.80 annually in additional property tax revenues.

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**18. DEMAND FOR GOVERNMENT SERVICES:**

*Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services*

Being remote grazing lands, no traffic changes would be anticipated. These parcels of state ground are currently protected under the County Coop protection program. The proposed sale would add land to the county fire protection area, 280 acres if all lands are sold.

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**19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:**

*List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.*

These tracts are surrounded by private land. There are no zoning or other agency management plans affecting these lands.

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**20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:**

*Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.*

Montana FWP commented that "FWP would recommend not disposing of lands that are generally available (accessible) to the recreating public". These tracts are not legally accessible to the general public because they are surrounded by private land. If the tracts are sold, hunting access would be controlled by the new landowner as is the current situation.

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**21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:**

*Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing*

The proposal does not include any changes to housing or developments. The nominating lessee has indicated that the lands would continue as grazing lands, if they purchase them at auction. No effects are anticipated.

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**22. SOCIAL STRUCTURES AND MORES:**

*Identify potential disruption of native or traditional lifestyles or communities.*

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

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**23. CULTURAL UNIQUENESS AND DIVERSITY:**

*How would the action affect any unique quality of the area?*

The State Trust lands in this proposal are currently managed for grazing. The State lands are generally indistinguishable from the adjacent private lands, with no unique quality.

The potential sale of the state land would not directly or cumulatively impact cultural uniqueness or diversity. It is unknown what management activities would take place on the land if ownership was transferred. The tracts were nominated by the lessee with the intent of purchasing and continuing use as grazing land.

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**24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:**

*Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.*

Legal	acres	2008 Lease Income	Income per acre
Sec 15	40	\$90.22	\$2.25
Sec 16	320	\$791.16	\$2.47
Sec 16	320	\$599.46	\$1.87
<b>TOTAL</b>	<b>680</b>	<b>\$1480.84</b>	<b>\$2.18</b>

The statewide stocking rate for grazing land on 4.3 million acres averages 0.26 AUMs per acre or a total of 1.11 million AUMs (2006 DNRC Annual Report). 2006 statewide grazing land gross revenue was \$6.98 million (\$6.99 per AUM) on 4.3 million grazing acres for an average income of \$1.62 per acre (2006 DNRC annual Report) These tracts nominated for sale average .33 AUMs/acre for stocking rate and \$2.31/Acre for income which are above the slightly above the statewide averages for grazing land. Tracts are isolated and not legally accessible, which make it difficult for the State to manage.

An appraisal of the property value has not been completed to date. Under DNRC rules, an appraisal would be conducted if preliminary approval to proceed is granted by the Board of Land Commissioners. The Department is conducting more detailed evaluations at this time in order to make a determination on whether to offer the tracts for sale. The revenue generated from the sale of these parcels would be combined with other revenue in the Land Banking Account to purchase replacement property for the benefit of the Trust. It is anticipated the replacement property would have legal access and be adjacent to other Trust lands which would provide greater management opportunities and income. If replacement property was not purchased prior to the expiration of the statute, the revenue would be deposited into the permanent trust for investment.

<b>EA Checklist Prepared By:</b>	<b>Name:</b> Tim Egan	<b>Date:</b> April 14 , 2008
	<b>Title:</b> Dillon Unit Manager, Central Land Office	

## V. FINDING

### 25. ALTERNATIVE SELECTED:

I have selected the Proposed Alternative B, recommend the tract receive preliminary approval for sale and continue with the Land Banking process.

### 26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I have evaluated the comments received and potential environment affects and have determined significant environmental effects would not result from the proposed land sale. These parcels do not have any unique characteristics, critical habitat or environmental conditions indicating the tract should necessarily remain under management by the Department of Natural Resources and Conservation. There are no indications they would produce substantially greater revenue or have substantially greater value to the trust in the near future.

These parcels are entirely surrounded by private lands which control access to the state land and if sold are likely to be managed in a manner consistent with surrounding lands.

### 27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

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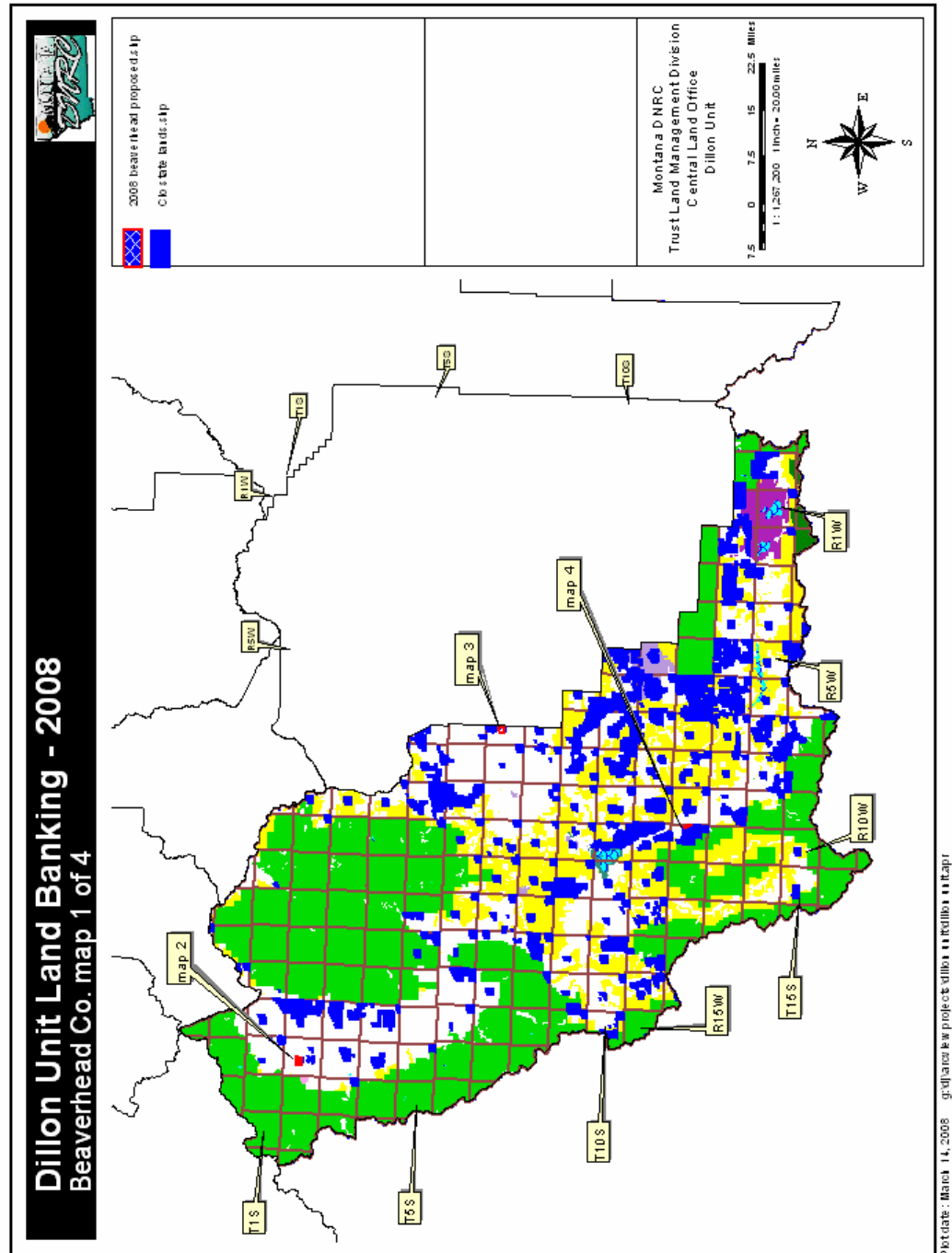
More Detailed EA

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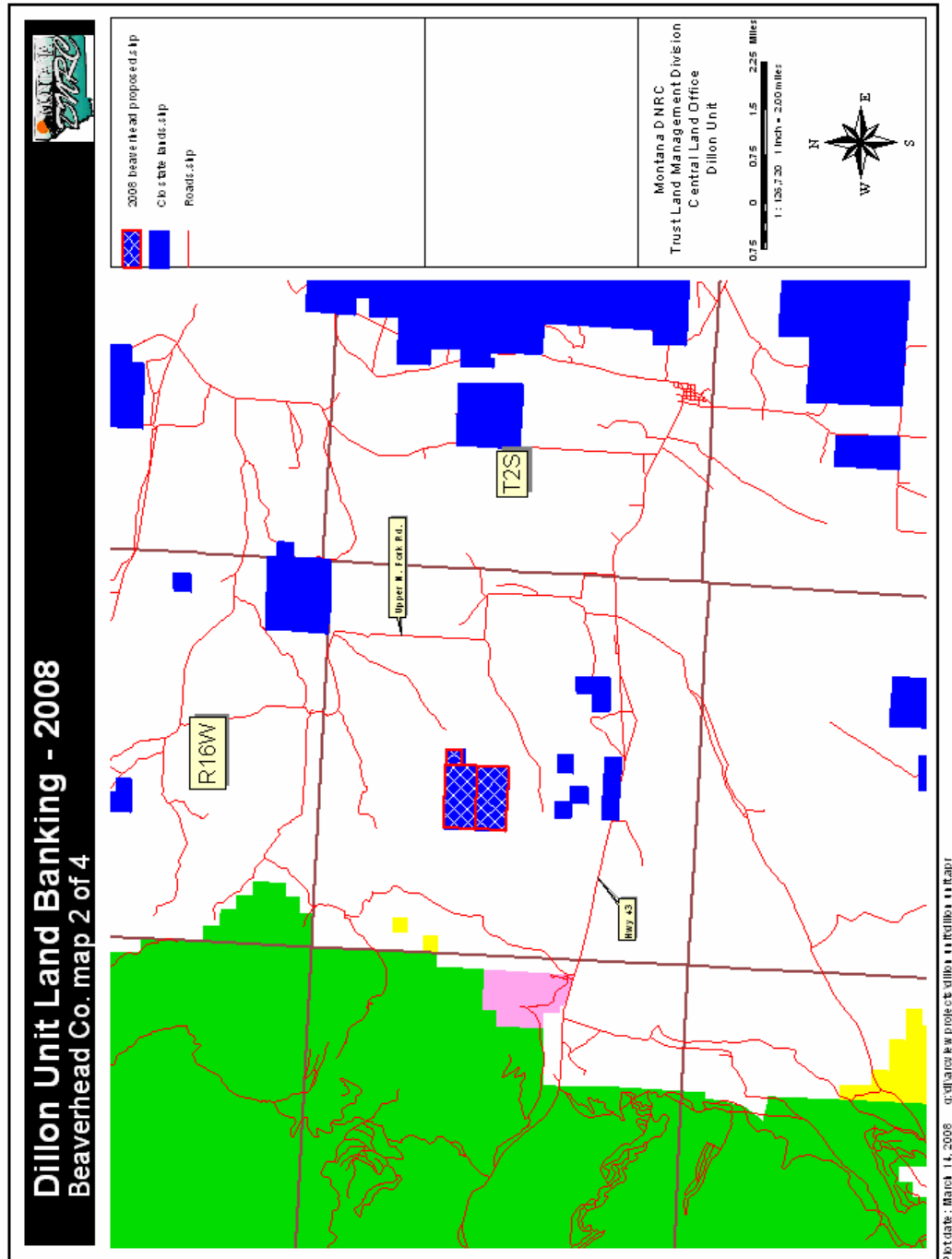
No Further Analysis

<b>EA Checklist Approved By:</b>	<b>Name:</b> GARRY WILLIAMS
	<b>Title:</b> Area Manager, Central Land Office
<b>Signature:</b> /S/ Garry Williams	
<b>Date:</b> 4/25/2008	





## APPENDIX B

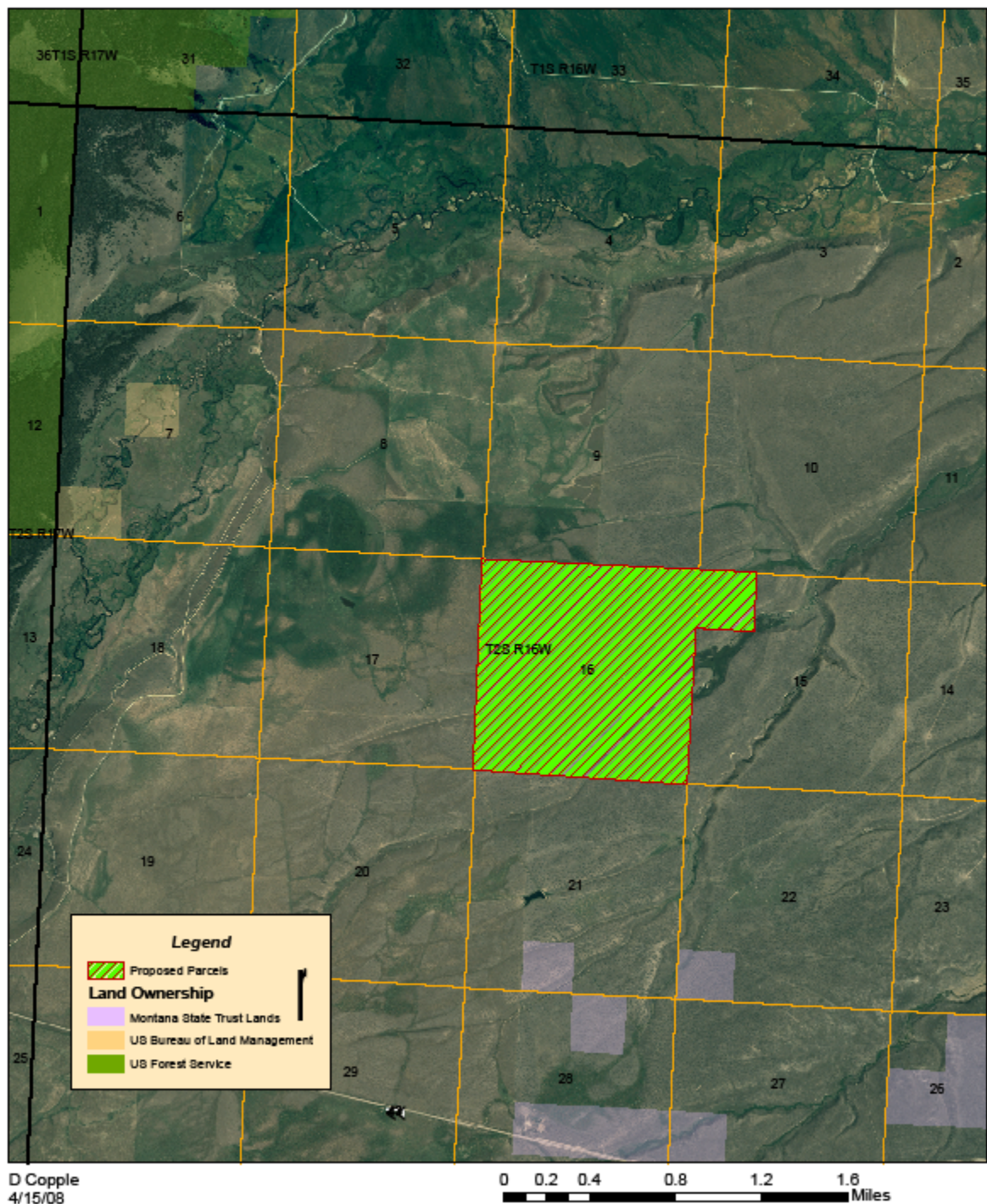


## APPENDIX C

# Land Banking Proposal - Beaverhead County

T2S, R16W, Section 16 & 15

Appendix C



APPENDIX D

**Land Banking Contacts Beaverhead County  
2008 Dillon Unit Proposals**

<b>Person</b>	<b>Organization</b>	<b>Address</b>
Tom Rice	Beaverhead County Commissioner	2 South Pacific St, Dillon, MT 59725
Michael J McGinley	Beaverhead County Commissioner	same
Garth Haugland	Beaverhead County Commissioner	same
Debby Barrett	House Representative Dist 72	18580 MT Hwy 324, Dillon, MT 59725-9657
Bill Tash	Senate Dist 36	240 vista Drive, Dillon, MT 59725-3111
Rick Ripley	House Representative (R)	8920 MT Hwy 200, Wolf Creek, MT 59648
John Cobb	Senate (R)	P.O. Box 388, Augusta, MT 59410
Roger and Carrie Peters	Owners, Draggin Y Cattle Co and nominating lessee	6000 HWY 324, Dillon, MT 59725
La Cense Beef (attn: Race King)	Neighboring owner	945 N Montana St. Dillon, MT 59725
John And Phyllis Erb	Owners, Erb Livestock Corp and nominating lessee	540 Skyline Dr., Dillon, MT 59725
Jay Lyndes	Owner JC Ranches and nominating lessee	PO Box 30112, Billings, MT 59107
Mary Sexton	DNRC Director	email
Joe Lamson	DNRC Deputy Director	email
Tom Schultz	DNRC TLMD	email
Kevin Chappell	DNRC Ag./Grz. Mngt.	email
Monty Mason	DNRC Mineral Mngt.	email
David Groeschl	DNRC Forest Mngt.	email
Jeanne Holmgren	DNRC Real Estate Mngt.	email
John Grimm	DNRC Land Banking Supervisor	email
Tom Hughes	DNRC Hydrologist	email
Pat Rennie	DNRC Archaeologist	email
Pat Flowers	R-3 DFWP – Regional Supervisor	1400 South 19 <sup>th</sup> , Bozeman, MT 59718
Kurt Alt	FWP – Wildlife Manager	same
Sam Sheppard	FWP-Warden Captain	same
Ann Hedges	Montana Environmental	P.O. Box 1184, Helena, MT 59624

	Information Center	
Bill Orsello	Montana Wildlife Federation	P.O. Box 1175, Helena, MT 59624
Stan Frasier	Montana Wildlife Federation	P.O. Box 1175, Helena, MT 59624
Larry Copenhaver	Montana Wildlife Federation	P.O. Box 1175, Helena, MT 59624
Craig Sharpe	Montana Wildlife Federation	P.O. Box 1175, Helena, MT 59624
Bob Vogel	Montana School Boards Association	1 South Montana Ave., Helena, MT 59601
Daniel Berube		27 Cedar Lake Dr., Butte, MT 59701
Ellen Engstedt	Montana Wood Products	P.O. Box 1149, Helena, MT 59624
Harold Blattie	Montana Association of Counties	2715 Skyway Dr., Helena, MT 59601
Janet Ellis	Montana Audubon Society	P.O. Box 595, Helena, MT 59624
Leslie Taylor	MSU Bozeman	P.O. Box 172440, Bozeman, MT 59717
Nancy Schlepp	Montana Farm Bureau Federation	502 – 19 <sup>th</sup> , Suite 4, Bozeman, MT 59715
Ray Marxer	Matador Cattle Company	9500 Blacktail Road, Dillon, MT 59725
Rosi Keller	University of Montana	32 Campus Drive, Missoula, MT 59812
Caroline Sime	The Wildlife Society, Montana Chapter	P.O. Box 1446, Helena, MT 59624
Jack Atcheson, Sr.		3210 Ottawa, Butte, MT 59701
Darold Bennett		5305 Sixth Ave. S., Great Falls, MT 59405
Tribal Historic Preservation Office	Confederated Salish & Kootenai Tribe	P.O. Box 278, Pablo, MT 59855
Dillon Tribune (weekly)	Legal Notice (3/19 & 3/26)	
Montana Standard (daily)	Legal Notice (3/16- 3/28)	
Leroy Mehring	Skyline Sportsmen's Assoc. Inc	PO Box 173, Butte, MT 59701
Tony Schoonen	Montana action for Access	PO Box 2, Ramsay, MT 59748
Lorry Thomas	Anaconda Sportsman	32 cherry St., Anaconda, MT 59711
Curtis Kruer	Ranch Maps	105 ½ Mill St. Sheridan, MT 59749

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